



HKSA 720 (Revised), The Auditor's Responsibilities Relating to Other Information, sets out revised requirements for the auditor to read and consider other information included in the annual report. How should the requirements of HKSA 720 (Revised) be applied to annual reports that are presented in more than one language?

The Auditing and Assurance Standards Committee (AASC) noted that, based on the requirements included in the Listing Rules referred to below, for a Hong Kong incorporated issuer, the annual report must be in English and accompanied by a Chinese translation; and for an overseas issuer or a PRC issuer, all documents furnished by the overseas/PRC issuer, including accounts, which are in a language other than English must be accompanied by a certified English translation. In this regard, most annual reports for listed entities in Hong Kong are presented in more than one language.

In accordance with the application guidance in paragraph A12 of HKSA 720 (Revised), it states that when the annual report is translated into other languages pursuant to law or regulation (such as may occur when a jurisdiction has more than one official language), or when multiple "annual reports" are prepared under different legislation (for example, when an entity is listed in more than one jurisdiction), consideration may need to be given as to whether one, or more than one of the "annual reports" form part of the other information. In this regard, the AASC hereby provides guidance to its practicing members as follows.

Given that the translated documents would not, and should not, result in any new or different information to be provided to the users of the annual report, the AASC is of the view that the translated information, regardless of whether it is obtained by the auditor prior to, or after, the date of the auditor's report, should not be considered as other information for the purposes of HKSA 720 (Revised).

Practicing members are reminded that paragraph 13(a) of HKSA 720 (Revised) requires auditors to determine, through discussion with management, which document(s) comprises the annual report. Where practicing members expect the entity may present the documents comprising the annual report in more than one language, it is recommended that practicing members discuss and confirm with management as to which language version(s) of the documents will be provided to the auditor in order to fulfil the requirements of HKSA 720 (Revised) and the timing of the preparation of those documents.



Some examples for illustration purposes:

Case 1

A Hong Kong incorporated listed issuer provides the final version of the document(s) comprising the annual report in English to its auditor prior to the date of the auditor's report. The Chinese translation of the annual report is expected to be prepared at a later date.

In the "Other Information" section of the auditor's report, the auditor identifies the document(s) obtained prior to the date of the auditor's report. There is no need to include the Chinese translation in the list of information expected to be obtained after the date of the auditor's report as the auditor has already read the other information in English prior to the date of the auditor's report and the information in Chinese will not provide new or different information when it is available at a later date.

Case 2

A PRC listed issuer provides the final version of the document(s) comprising the annual report in Chinese to its auditor prior to the date of the auditor's report. The English translation of the annual report is expected to be prepared at a later date.

In the "Other Information" section of the auditor's report, the auditor identifies the document(s) obtained prior to the date of the auditor's report. There is no need to include the English translation in the list of information expected to be obtained after the date of the auditor's report as the auditor has already read the other information in Chinese prior to the date of the auditor's report and the information in English will not provide new or different information when it is available at a later date.



Listing Rules References:

1. Main Board Rule 13.46(1)(b) Note 1 – for an issuer (other than an overseas issuer and a PRC issuer)
The directors' report, auditors' report, annual accounts and, where applicable, summary financial report must be in the English language and must be accompanied by a Chinese translation. In respect of overseas members, it shall be sufficient for the issuer to mail an English language version of either (i) its directors' report, auditors' report and annual accounts or (ii) its summary financial report if such documents contain a prominent statement in both English and Chinese to the effect that a Chinese translation is available from the issuer, on request.

2. Main Board Rule 13.46(2)(c) Note 1 – for an overseas issuer or a PRC issuer
If an issuer's primary listing is or is to be on the Exchange the annual report, annual accounts, auditors' report and, where applicable, summary financial report must be in the English language and must be accompanied by a Chinese translation. In respect of overseas members, it shall be sufficient for the issuer to mail an English language version of its annual report, annual accounts, auditors' report and, where applicable, summary financial report if such documents contain a prominent statement in both English and Chinese to the effect that a Chinese translation is available from the issuer, on request. If the issuer's primary listing is or is to be on another stock exchange such documents must be in the English language or be accompanied by a certified English translation.

3. Main Board Rule 19.27 / 19.55
All documents furnished by an overseas issuer, including accounts, which are in a language other than English must be accompanied by a certified English translation. If the Exchange so requires, an additional translation must be prepared in Hong Kong at the overseas issuer's expense by such person or persons as the Exchange shall specify.

4. Main Board Rule 19A.57
All documents furnished by a PRC issuer, including accounts, which are in a language other than English must be accompanied by a certified English translation. If the Exchange so requires, an additional translation must be prepared in Hong Kong at the PRC issuer's expense by such person or persons as the Exchange shall specify.



5. GEM Rule 18.03 Note 2

The directors' report, auditors' report, annual financial statements (including consolidated financial statements) and, where applicable, summary financial report must be in the English language and must be accompanied by a Chinese translation or be in the Chinese language accompanied by an English translation. In respect of overseas members, it shall be sufficient for the listed issuer to mail an English language version of either (i) its directors' report, auditors' report and annual financial statements or (ii) its summary financial report if such documents contain a prominent statement in both English and Chinese to the effect that a Chinese translation is available from the listed issuer, on request.

6. GEM Rule 24.23

All documents furnished by an overseas issuer to the Exchange, including accounts, which are in a language other than English or Chinese must be accompanied by a certified English or Chinese translation. If the Exchange so requires, an additional translation must be prepared in Hong Kong at the overseas issuer's expense by such person or persons as the Exchange shall specify.

7. GEM Rule 25.45

All documents furnished by a PRC issuer, including accounts, which are in a language other than English or Chinese must be accompanied by a certified English or Chinese translation. If the Exchange so requires, an additional translation must be prepared in Hong Kong at the PRC issuer's expense by such person or persons as the Exchange shall specify.